

SEP 29 1977

MICHAEL RODAK, JR., CLERK

77-494

No. _____

IN THE
SUPREME COURT
OF THE UNITED
STATES

November Term, 1977

GEMEINDE BRAU, INC.
PAUL A. ZIMMERMAN
EMMA J. ZIMMERMAN and
COLD SPRING BREWING CO.

Petitioners,

v.

AMANA SOCIETY, and
AMANA REFRIGERATION, INC.,

Respondents.

**PETITION FOR A WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS FOR
THE EIGHTH CIRCUIT**

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TABLE OF CONTENTS

	Page
Opinions Below	1
Jurisdiction	1
Questions Presented	1-4
Statutory Provisions Involved	4
Statement of the Case	5-8
Reasons for Granting the Writ	8-9
Conclusion	9
Appendix "A"	
District Court Findings of Fact, Conclusions of Law and District Court Judgment	A-1—A-5
Appendix "B"	
Opinion and Ruling	B-1—B-3

OTHER

	Page
15 U.S.C.1	1
15 U.S.C.A.1	4
15 U.S.C.A. 1065	5
15 U.S.C.A. 1115 (b) (7)	4
28 U.S.C. 1388	5
15 U.S.C. 1121	5

The Petitioners, Gemeinde Brau, Inc., Paul A. and Emma J. Zimmerman and Cold Spring Brewing Co., pray that a Writ of Certiorari issue to review the opinion and judgment of the United States Court of Appeals for the Eighth Circuit, rendered in these proceedings on July 6, 1977.

OPINIONS BELOW

The "Findings of Fact and Conclusions of Law and Order" of the Honorable Edward V. McManus, District Judge for the United States District Court, for the Northern District of Iowa, Cedar Rapids Division, entered July 13, 1976, appears at Appendix A.

The opinion of the United States Court of Appeals for the Eighth Circuit, sustaining judgment for the Respondents herein rendered July 6, 1977, appears at Appendix B.

JURISDICTION

Subject matter jurisdiction for the court of first instance is based upon 15 U.S.C.1, et al. This Petition for Certiorari was filed less than 90 days from the date of the Judgment of the Appeals Court which was July 6, 1977.

QUESTIONS PRESENTED

1. Whether or not Respondents (Plaintiffs in prior action) are jointly owners of the trademark AMANA, to the exclusion of all others, when applied to new goods (beer) for which neither Plaintiff has registered, or used the trademark since the first trademark

registration or since the first identified trademark use in 1932.

2. Whether or not Petitioner's use of the legend "AMANA BEER Amana, Iowa" is an identity of the source of the beer as "Amana, Iowa" or is an identity with and an infringement of the trademark of Amana Refrigeration, Inc., registered for different goods, of which refrigerators is an example, or is an identity with and an infringement of the trademark of Amana Society, Inc., registered for different goods, of which bread is an example.

3. Whether or not, the Respondents (Amana Society) acts of asserting economic pressure on third parties not to purchase any products including products not involved in litigation, such as "Cold Spring Beer" from Petitioners, Gemeinde Brau, Inc., et al, constituted "unclean hands, trademark misuse, restraint of trade or other anti-trust violation" that is a complete defense in a trademark infringement action.

4. Whether Amana Society is entitled to attorney's fees in the matter of a trademark infringement action for goods for which the Amana Society has not registered the trademark nor is using the trademark with.

A principal issue for this action is the fact that neither the District Court nor the Appeals Court ruled on Petitioners issue that Respondents were guilty of anti-trust law violation and such a violation was a complete defense to an infringement action and wherein the evidence was clear that an anti-trust violation had taken place in the combination of two or

more separate entities in conspiracy to restrain trade as shown in the following letter that comprised Defendant's Exhibit D-11, which reads:

"January 2, 1976
Mr. Reynold Moessner
Chairman of the Oktoberfest
Committee

Dear Reynold:

We take this means of informing you of the fact that due to alleged misuse of the name "Amana" by Gemeinde Brau, Inc., we would ask that you **refrain from selling any products** originating from Gemeinde Brau, Inc., and/or their officers and directors, at the OKTOBERFEST grounds presently being leased by you from the Amana Society. We would appreciate a commitment from your committee, signed by all members, confirming this arrangement. If the OKTOBERFEST Committee does not feel inclined to honor this request, we shall be forced to **terminate your lease** of the OKTOBERFEST Grounds.

An early reply will be appreciated. (Emphasis added)

Very truly yours,

AMANA SOCIETY

Signed Don Shoup
Don Shoup, General Manager"

The conspiracy or combination of the Amana Society and the Chairman of the Oktoberfest Committee in blocking the sale of **any products** of Gemeinde Brau, Inc., regardless of whether these products (Cold Spring Beer) could have been involved in a trademark action, is an anti-trust violation serious enough to be replied to by the Appeals Court (or by the District Court) and unless so replied to and ruled on, the

Petitioners will not have had their day in court and justice will have been thwarted by silence.

STATUTORY PROVISIONS INVOLVED

As pointed out in Petitioners' (Appellants') Reply Brief of May 5, 1977, pp. 3 and 4, the Statutes relied on to support Issue No. 3 above are 15 U.S.C.A. 1, which reads:

"Every contract, **combination** in the form of trust **or otherwise**, or **conspiracy**, in **restraint of trade** or commerce among the several states, or foreign nations, **is declared to be illegal**. Every person who shall make any contract or engage in any combination or conspiracy declared by sections 1 to 7 of this title to be illegal shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding one million dollars if a corporation, or, if any other person, one hundred thousand dollars or by imprisonment not exceeding three years, or by both said punishments, in the discretion of the court."

and 15 U.S.C.A. 1115 (b) (7) which reads:

"(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065 subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) . . .

(7) That the mark has been or is being used to violate the antitrust laws of the United States."

STATEMENT OF THE CASE

A consolidated action for trademark infringement under 15 U.S.C. 1065 was tried before JUDGE EDWARD V. McMANUS in the United States District Court for the Northern District of Iowa, Cedar Rapids Division, that had jurisdiction of the parties and of the subject matter based upon 28 U.S.C. §1388 and 15 U.S.C. §1121 and the Eighth Circuit Court of Appeals has jurisdiction under 15 U.S.C. §1121. The Order following the trial in the District Court was handed down on July 13, 1976; the Judgment of the Eighth Circuit Court of Appeals was handed down July 6, 1977, and this action deals primarily with this Order and Appeals Court decisions, which Petitioners (Defendants in District Court) contend contain reversible error in that neither court ruled on the important issue of anti-trust violation.

As a background to the subject matter of the case, the following facts are listed as relevant to the issues as presented to the Appeals Court for review and include those shown under the District Court's Findings of Facts and Conclusion of Law. Petitioners' summary of pertinent facts are:

a. Plaintiff Amana Society, Inc., has registered the trademark Amana for bread, buns, cakes, rolls, hams, bacon and sausage, and other products, not including beer. (District Court's Order of July 13, 1976, page 1)

b. Plaintiff Amana Refrigeration, Inc., has registered the trademark Amana for refrigerators, and other products not including beer. (District Court's Order of July 13, 1976, page 1)

c. Neither Plaintiff has registered the trademark Amana for the product, beer. (Process of elimination of "a" and "b" above)

d. Neither Plaintiff has used the trademark Amana for the product, beer. (See Don Shoup's testimony, Transcript of Testimony, March 10, 1976, pp. 22-25, shows Amana Society has not been in the beer business per se since 1932; (Merlin Morris' testimony p. 84 re Amana Refrigeration, Inc.).

e. Defendants marketed a beer for a few days under the legend "AMANA BEER Amana, Iowa" and included elsewhere on the can the name of their brewer: "Cold Spring Brewing Co., Cold Spring, Minnesota." (Plaintiff's Exhibit #1)

f. The general public as represented by tourists in the Amana Colonies, were not able to distinguish the source of goods bearing the trademark Amana of Amana Society, Inc., and the logo of Amana Refrigeration, Inc., and other products bearing the name Amana were not from either source. (Shoup's testimony, Transcript of Testimony, March 10, 1976, pp. 18, lines 20-23 and see Exhibits D-69 series and D-31)

g. Defendants Zimmermans and their forefathers were natives of the Amanas and they related to this heritage and this geographical location and their beer was made from an old Amana formula. (Emma Zimmerman's testimony, Transcript of Testimony, March 10, 1976, p. 144, line 20 - page 146, line 12)

h. There was no evidence of confusion in the marketplace of Defendant's use of the legend "AMANA BEER Amana, Iowa" and the source of

refrigerators or bread and meat products. (Dolan's Testimony, Transcript of Testimony, March 10, 1976, pp. 134, line 24 - pp. 135, line 21 and Paul Zimmerman's testimony from the same transcript, pp. 132, line 18 - pp. 133, line 1 and Paul and Emma Zimmerman's testimony from the same transcript pp. 144, line 3 through pp. 150, line 24)

i. Defendant Paul Zimmerman was refused permission in 1972 by Amana Society to use the name Amana in connection with his beer, and it has been since determined that Amana Society could not legally license a manufacturer or distributor of beer because of state and federal regulations. (Defendant's Exhibits D-84 and D-85)

j. Defendant Paul Zimmerman consulted his attorney on his right to market a beer bearing the legend "AMANA BEER Amana, Iowa" and was told he could proceed. (Deposition of Paul Zimmerman, January 7, 1976, p. 46, lines 13-17, and See Defendant Exhibits D-100 and Plaintiff's Exhibit 6)

k. Defendant Paul Zimmerman proposed a new label that would prominently display the names of both the brewer, "Cold Spring Brewing Co." and the distributor, "Gemeinde Brau, Inc." in addition to "Amana, Iowa". (Defendants' Exhibit D-91)

l. Plaintiff Amana Society used economic coercion to prevent a third party, Mr. Reynold Moessner, Chairman of Oktoberfest Committee, from dealing in Defendants' products, including products (Cold Spring Beer) not involved in this litigation. (Defendants' Trial Brief, p. 9)

m. Plaintiff Amana Society has broadly asserted that they "own the name Amana" without mention of any trademark rights or without relation to any particular products. (See Plaintiff's letter to Mr. Larry Mayberry, Landmark Restaurant, Defendants' Trial Brief, p. 2) Petitioners assert this to be a trademark misuse.

REASONS FOR GRANTING THE WRIT

By accepting this Petition and acting thereon in a manner to grant a Writ of Certiorari, the Supreme Court will be able to rectify a serious omission by the Appeals Court (and by the District Court) and permit the important issue of whether there was an anti-trust law violation by the respondents, which is a complete defense in a trademark infringement case, to be decided. The Appeals Court Order was silent on this point, even though your Petitioners specifically requested a ruling on this point. It appears to the Petitioners that justice has been denied them in this instance by silence, and yet the issue (anti-trust violation) is so exceedingly important in today's society that they would rather receive a positive ruling, even if unfavorable, than to receive the silence of no response. The Supreme Court's acceptance and favorable ruling on this Petition would formally recognize the Petitioner's right to be heard and receive a ruling on all issues of merit contained in his pleadings, and that silence is not a satisfactory answer to a party's pleadings.

Another reason for accepting this Petition is to permit the Supreme Court to define the scope of the

monopoly grant under a geographic name trademark, and determine if the scope of protection afforded by a geographic trademark is so broad as to establish a monopoly over **all use** of the geographic trademark for **all products**, whether used by the trademark owner or not, to the exclusion of all others including natives of the same geographic location for their own products that are different from those bearing the trademarks of others.

CONCLUSION

This case gives this Court the opportunity to establish a precedent from which the lower courts may derive notice of a requirement that issues of merit must be responded to in order to determine that full justice and a complete decision has been carried out.

This case will also permit this Court to establish limits to the geographic name use monopoly to a finite scope so that one or two corporations cannot completely monopolize the name of a geographic location for all goods, whether or not used by them in commerce.

On the basis of the foregoing, it is respectfully requested that this Court issue a Writ of Certiorari in this case.

Respectfully submitted,
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Attorney for Petitioners

APPENDIX A

**IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF IOWA
CEDAR RAPIDS DIVISION**

AMANA SOCIETY,	<i>Plaintiff,</i>	
vs.		C 75-63
GEMEINDEBRAU, INC., <i>et al.</i> ,	<i>Defendants,</i>	
and		ORDER
AMANA REFRIGERATION, INC.,	<i>Plaintiff,</i>	
vs.		C 75-66
GEMEINDE BRAU, INC., <i>et al.</i> ,	<i>Defendants.</i>	

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW**

This consolidated action for trademark infringement was tried to the Court.

FINDINGS OF FACT

1. Plaintiff Amana Society, Amana, Iowa, is the owner of the trademark AMANA.¹

¹The Amana Society's August 13, 1963 U.S. Patent Office registrations for the trademark AMANA are as follows:

No. 754,769 "For: bread, buns, cakes, rolls, hams, bacon, sausage." No. 754,718 "For: woolen blankets, woolen robes, woolen flannels, woolen suitings, woolen shirtings." No. 754,619 "For: walnut and cherry furniture for residential and business use."

2. Plaintiff Amana refrigeration, Inc., Amana, Iowa, is the owner of the trademark AMANA.²

3. Defendants Paul and Emma Zimmerman are the sole officers of Defendant Gemeinde Brau, Inc., Amana, Iowa. Defendant Cold Spring Brewing Co., Cold Spring, Minnesota, brewed AMANA BEER.

4. Plaintiff Amana Society has used the mark AMANA in connection with its products since 1932. Plaintiff Amana Refrigeration, Inc. has used the mark AMANA in connection with its products since acquiring the assets of the Refrigeration Division of Amana Society in 1950. AMANA has become recognized throughout the United States as identifying and distinguishing plaintiffs' products.

5. Notwithstanding plaintiffs' well known and prior established rights in the trademark AMANA, defendants began commercial distribution of a beverage labeled AMANA BEER in December 1976 to retail outlets in the Amana and Cedar Rapids, Iowa area, without plaintiffs' consent.

6. The sale of AMANA BEER is likely to cause the purchasing public to believe AMANA BEER is sold,

²Amana Refrigeration, Inc.'s U.S. Patent Office registrations for the trademark AMANA are as follows: No. 889,068, registered April 7, 1970, "For: cooking ovens and furnaces." No. 715,075, registered May 9, 1961, "For: dehumidifiers and central air conditioning apparatus and parts thereof." No. 587,025, registered March 16, 1954, "for refrigerators, freezers, and parts thereof."

sponsored by, or otherwise connected with plaintiffs.³

7. Defendant Paul Zimmerman was aware of plaintiffs' trademark registrations and was refused Amana Society permission in 1972 to use the name AMANA in connection with his beer business.

CONCLUSIONS OF LAW

1. The Court has jurisdiction of the parties and the subject matter. 28 USC §1338; 15 USC §1121.

2. Each plaintiff has proven by a preponderance of the evidence that its distinctive mark AMANA has acquired a secondary meaning. *Flavor Corp. of America vs. Kemin Industries, Inc.*, 493 F2d 275 (8th Cir. 1974).

3. Each plaintiff has proven by a preponderance of the evidence that defendants' use of the registered mark AMANA in commerce, without consent, is likely to cause confusion to an ordinarily prudent purchaser and thereby infringes each plaintiffs' trademark. 15 USC §1114(1); *David Sherman Corp. v. Heublein Co.*, 340 F2d 377 (8th Cir. 1965); *Electronic Com'ns, Inc. v. Electronic Components For Ind. Co.*, 443 F2d 487 (8th Cir. 1971), CERT. DEN. 404 US 833 (1971); *HMH Publishing Co. Inc. v. Brincat*, 504 F2d 713 (9th Cir. 1974).

³AMANA BEER was sold in stores marketing the various Amana Society grocery products. Beer, a refrigerated product, is not totally unrelated to Amana Refrigeration, Inc.'s line of refrigerators. Amana Refrigeration, Inc.'s advertising expert testified to instances of actual confusion. Due to the strength of plaintiffs' mark, defendants could expect to trade upon plaintiffs' good will and reputation.

4. Plaintiffs have proven by a preponderance of the evidence that defendants should be permanently enjoined. 15 USC §1116.

5. Plaintiffs are entitled to have defendants' AMANA BEER cans delivered to plaintiffs for destruction. 15 USC §1118.

6. Plaintiffs are entitled to defendants' profits from the sale of AMANA BEER and the costs of this action. 15 USC §1117.

7. Plaintiff Amana Society is entitled to reasonable attorneys' fees due to defendants' deliberate use of the mark AMANA after being denied Amana Society permission, making C 75-63 an exceptional case. 15 USC §1117.

It is therefore

ORDERED

Judgment shall be entered in the following form which is hereby approved for entry by the Clerk:

1. Defendants Gemeinde Brau, Inc., Paul A. Zimmerman, Emma J. Zimmerman, and Cold Spring Brewing Co. and their agents, servants and employees are hereby permanently enjoined from using AMANA or any confusingly similar variation thereof in connection with the sale or advertising of beverages including beer or related products.

2. Defendants shall pay the costs of this action.

3. Defendants shall pay plaintiff Amana Society's reasonable attorneys' fees to be stipulated to by the parties. In the event reasonable attorneys' fees cannot be agreed to, they shall be submitted upon affidavit without further hearing.

4. The parties shall stipulate defendants' profits from the sale of Amana Beer and defendants shall pay plaintiffs that amount. In the event defendants' profits cannot be agreed to, they shall be submitted upon affidavit without further hearing.

5. By not later than August 16, 1976, defendants shall deliver all advertisements, labels, signs, prints, packages, wrappers, receptacles, including AMANA BEER cans, in defendants' possession bearing plaintiffs' registered mark AMANA to plaintiffs who shall destroy the same.

July 13, 1976.

s / EDWARD J. McMANUS, Chief Judge
United States District Court

APPENDIX B

**IN THE UNITED STATES COURT OF APPEALS
FOR THE EIGHTH CIRCUIT**

GEMEINDE BRAU, INC., <i>et al.</i> , Appellants,	No. 76-1874
v.	
AMANA SOCIETY, <i>et al.</i> , Appellees.	
AMANA REFRIGERATION, INC., Cross-Appellant,	No. 76-1902
v.	
GEMEINDE BRAU, INC., <i>et al.</i> , Cross-Appellees.	
AMANA SOCIETY, Cross-Appellant,	No. 76-1993
v.	
GEMEINDE BRAU, INC., <i>et al.</i> , Cross-Appellees.	

Appeals from the United States District Court
for the Northern District of Iowa

Submitted: June 15, 1977

Filed: July 6, 1977

Before: GIBSON, Chief Judge, HEANEY and
STEPHENSON, Circuit Judges.

PER CURIAM.

Plaintiffs Amana Society and Amana Refrigeration
instituted this trademark infringement and unfair

competition action against defendants Gemeinde Brau, Inc., Cold Spring Brewing Co. and Paul and Emma Zimmerman. Defendants are accused of infringing plaintiffs' "Amana" trademark by distributing "Amana Beer." Amana Society has registered the trademark "Amana" for use with the manufacture and distribution of its bread, buns, cakes, rolls, hams, bacon, sausage, woolen clothing and walnut and cherry furniture. Amana Refrigeration, with the Amana Society's consent, has registered the "Amana" trademark for its cooking ovens, furnaces, dehumidifiers, air conditioners, refrigerators and freezers.

Over the objection of Amana Society, defendants began marketing Amana Beer in December 1975. This litigation immediately ensued. In a non-jury trial, Chief Judge McManus of the Northern District of Iowa found that the sale of Amana Beer is likely to cause the public to conclude that "Amana Beer is sold, sponsored by, or otherwise connected with plaintiffs." The court concluded that the distinctive trademark "Amana" has acquired a secondary meaning and that defendants' use of the trademark is likely to confuse the consuming public. Accordingly, the court ruled that defendants were infringing the trademarks of Amana Society and Amana Refrigeration. Defendants were permanently enjoined from using "Amana" in the sale or advertising of beer or related products and were ordered to turn over the profits from the sale of Amana Beer to plaintiffs. All Amana Beer cans in defendants' possession are to be delivered to plaintiffs for destruction. Finally, the court awarded Amana Society \$5,000 for attorneys' fees, but denied Amana

Refrigeration's request for attorneys' fees.

On this appeal, defendants challenge the merits of the District Court's decision. In cross-appeals, Amana Society contests the adequacy of the court's award of attorneys' fees and Amana Refrigeration argues that the court erred in overruling its request for attorneys' fees.

Upon a review of the record and of the briefs and arguments of the parties, we are convinced that the trial court's findings of fact are not clearly erroneous and it applied the correct legal principles to the factual issues presented. There is abundant evidence to establish that defendants are infringing the "Amana" trademark. Contrary to defendants' assertion, it is permissible for Amana Society and Amana Refrigeration, each holding rights to use the "Amana" trademark for particular goods, to institute a joint infringement action against a person or entity unlawfully using that mark. *See California Fruit Growers Exchange v. Windsor Beverages*, 118 F.2d 149 (7th Cir. 1941). We have considered the arguments of Amana Society and Amana Refrigeration on the issue of attorneys' fees and conclude that the District Court's rulings on attorneys' fees were within the proper range of its discretion.

We affirm the judgment on the basis of the District Court's opinion, which is reported at 417 F. Supp. 310 (N.D. Ia. 1976).

A true copy.

Attest:

Clerk, U.S. Court of Appeals, Eighth Circuit